P 7UF

App. F. IX-4

193 .

File No. 11-31

Previous References

(Cf)

Bd. 146-28 (1-3)

Serial Nos. 1/10

Letter References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for

SUBJECT.

Amendment of the Cooperative Societies Act re the Conversion of the liens on properties in Section 19 of the Act into a Charge.

WD 0418—GPB—22,500—29-8-36

GENERAL AND REVENUE SECRETARIAT.

(65

NOTES.

File No. 11-36

FILE HEADING.

Recommendation of the Committee on Co-operation

FROM The Registrar of Co-operative Societies Mysore

No. 3566 Dated 7-1-37 Received 9-1-37

Diary No. 3586 Enclos. — Spare copies — Serial No. 31

BRIEF ABSTRACT OF LETTER

Recommends that Sec 19(a) of the Regulation be so amended as to prevent fraudulent transfer of property mortgaged to Co-operative Societies for the purpose of obtaining such loans

NOTES AND ORDERS.

166-28-3 E

1) The file bearing to the orders passed on 30-8-29 is placed below for perusal. The Committee stated that it is a prevalent misapprehension that such loans are risky and troublesome and to be avoided as such but more often such loans are secured on the principal of which is adequate personal security from the borrower, a certain amount of subscription by the each when it is on call as in the case of borrowing with its proper custody and

NOTES—First Sheet

reducing) the system is quite safe and easy
work. It is besides, of considerable practical
use to cultivating societies who require
loan advances at various stage both when the
crop is standing and after it is harvested."

4) The Registrar Stated on this recommendation
that "the issue of crop loans is entirely
desirable and the Govt have already ordered
to encourage them in rural societies. This was
done in few societies the Apex Bank making
necessary advances but the experiment did not
succeed because of the neglect by the managing
of the safeguard recommended by the Committee
The scheme is not for this reason to be given up
it should though insisting on better observation
to the safeguards. But the safeguard is
a provision in the Regulation creating a lien
for the loan on the crop raised with its help."

3) Section 19 of the Regulation gives the
Co-operative Society a prior claim in respect
of its dues from a member or for member to other creditors.

4) The Conference of Registrars who discussed
the question whether of opinion that the lien given
by Sec 19 of the Act should be converted
into a liability charge as has been done by Bombay
Bihar & Orissa. At the same time the Registrar Bombay
Considered that a liability charge was of little value
Mr. Ambegaonkar (Reserve Bank of India) recommended
on the lines of the English Agricultural Credit Act of
1928. the fraudulent disposal of any Commodity

3569

Serial No.

subject to a charge should be penalised by three months' imprisonment - also moreover it requires special sanction of the Resident. After discussion it was agreed, Resident of Hyderabad dissenting, that provision was necessary for any fraudulent breach of the charge but thought that it would meet the case if the penalty were restricted to a fine and usual imprisonment in default of payment of fine."

5) As the responses relating to the action taken in the Provincial Courts of Bombay Bihar and Orissa are not readily available, the Resident will be requested to furnish details regarding the action taken by those Courts and also intimate the action he proposes to take on the lines of the English Act of 1920. Draft Letter for above

Ag C&F 6) 8.2.37

6) Draft for approval. The enactments referred to are not available in the Secretariat. Perhaps they may be purchased for office use

Ag Secy 10.2.37

7) Draft 19/2

8) Issued 15.2.37

GENERAL SECRETARY'S 10 FEB. 1937 3569

Extract from the Secretariat Library

TYPING SECTION 22 FEB 1937 GENL

WD. 0417—GPB—30,000—8-9-36

3589 5366

C. S. File No. 11 of 1936 | General and Revenue Secretariat

Serial No.

To the Registrar of C.S. D 5662. 23-2-37 | 60

Requests to forward relevant extracts to provide adequate safeguards for the issue of crop loans from the enactment in force in Bombay, Bihar & Orissa, & from English credit Act of 1928.

Letter No 7901 dated 30-3-37 ~~dated~~ from the Registrar C.S. forwarding the extract of Provision relating to the issue of crop loans in force in Bombay, Bihar & Orissa and the English Provincial Relief Act

9) Submitted for orders with reference to Para 6 above

3/4/37 10) Reference is invited to pp 46 & 50 para of the Report. The Committee have made some pertinent observations and given some useful suggestions in regard to this subject. The recommendation of the Registrar will go a long way to make the crop loans popular with the lending institutions and to ensure the successful working of Societies organised for the Marketing and sale of ~~the~~ agricultural produce and industrial products. If the recommendation is accepted the Registrar will be requested to submit drafts amendments & S.I.S of the Regn with a statement

GENERAL SECRETARIAT
Sec A
DEVELOPMENT
Dy No 60 23/2/37

Has the Registrar examined (per cross reference - What are they? & wherein are they explained

Para 3/4 ... Hindu, Jewish & ... on 3/4/37 ... Library, Time, Book ... 1. ... 2. ... also ... 5/4/37

Safeguards in the issue of crop loans by Co-operative Societies

55.

General and Revenue Secretariat | By File No. 11 of 1936 | [App. F. III—2

Serial No.	
	of objects and ~~as~~ reasons. Gen Secy 11.4.37
11)	For perusal. The suggn may be accepted — proposals called for. Secy 19.4 Secy 20.4.37
	Secy Member
12)	Secy 23/4/37 Secy 26/4/37 Secy 26.4.37
13)	Draft reply Secy 28/4/37 Done
14)	Secy 28.4.37
10	To The Registrar of C.S. D 7329. 30-4-37 Intimate ~~States~~ his acceptance of his suggestions re:— amendment to section 19 (a) of the Mysore Co-operative Regulation etc, and requests him to forward draft amendment.
12	Letter No 8843 dated 11-5-37 from the Registrar forwarding a copy amendment to Sec 19 (a) of the Regulation with the

OFFICE OF THE SECRETARY TO GOVERNMENT 13 APR. 1937 1362

OFFICE OF THE SECOND MEMBER OF COUNCIL. 1 MAR 1937 No. 752a

GEN. & REV.

Secy A Secy 4 MAY 1937

NOTE—Contn. Sheet.

WD 0417—GPB—80,000—8-9-36

65892/36
P 5366 6271 Safeguard for the rights of co-operative Societies

File No. 11 of 1936	General and Revenue Secretariat

Serial No.

Statement of objects and reasons

1) Submitted with reference for perusal Section 43E of the Regulation provides punishment for the fraudulent transfer, with a fine not exceeding Rs 200/-

The amendment proposed by the Registrar may perhaps be referred to the Law Section for scrutiny before proceeding further.

2) For favour of remarks

Asst Secy
Law Dept
NC
21.5.37

280
Law
BKR
21.5

3) The proposed amendment is all right.

BKR
28.5.37

Under Secy
Development
WC.

28 MAY 1937
DEVELOPMENT BRANCH

28.5.37

4) Submitted for orders whether the proposed amendment to the Regulation be accepted.

29/5/37

Please peruse the Section as it is and as proposed to be amended and express your opinion thereon.
24/5

5) The Section as it is and as proposed to be amended are given here by for perusal and orders before for removal to order. (Flag A)

29/5/37

6) Please scrutinise the Statement of objects and Reasons sent by the Registrar

29/5/37

1 ... 36 ... loans by ... for the issue of ... by Co-operative Societies

General and Revenue Secretariat | File No. 11 of 1936 | [App. F. III-

Agreement Act
Sec 19 of
Co-op. Act

Serial No.

21) The statement of object and reasons furnished by the Registrar seems suitable and sufficient and may perhaps be adopted. Subs vide reference to Para 20 above.

4a
1/6/37

22) For favour of scrutiny and remarks.

Asst Secy Law Dept
W C
28.6.37

3.10
Law
ASR
29.6.37

23) I have made a slight amendment in pencil. I have no other remarks.

ASR
30.6.37

Under Secy
Dev for
W C

24) Revd Secy
30.6.37

25) The draft may be approved for publication.

Hon
1/7/37
Secy
2.7.37

Secd Member

26) It is better to collect all the amendments to be made in the Registration Act and present them as a single bill.

The decision of the Govt on this matter

GENERAL SECRETARY.
1- JULY 1937
3762

OFFICE OF THE
SECOND MEMBER OF COUNCIL.
2 JUL 1937
No. 435

NOTE—Contn. Sheet.

WD 0417--GPB--30,000--8-9-36

Amendment of Rule 17 of the C.P. Regulation

627

File No.		of 193	General and Revenue Secretariat

Serial No.

Chapter IV

may be referred to in the G.O to be issued on the recommendations contained in Chapter IV of the Committee's report.

21/2/37

22.7.37

22.7.37

It is submitted that the decisions of Govt on this question have been incorporated in the draft G.O put up on Chapter III of the report. A statement as per orders in Para 26 above being prepared. Submitted

8/7/37

11.8.37

II member

Vide orders in G.O Ms No 709 L dt 214

Govt. of Mys. Rev. Secretariat
1/1/37
3 SEP. 1937
DEVELOPMENT BRANCH

No. 5566 C.S.

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE

Dated, Bangalore, 7th January 1937.

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B., 3569

Registrar of Co-operative Societies in Mysore,

BANGALORE.

C.S. 11-36-31

GENERAL SECRETARIAT 7 JAN. 1937 CS

GENERAL SECRETARIAT 9 JAN. 1937 DEVELOPMENT BRANCH

To

M. Venkatesa Iyengar, Esq., M.A.,
General Secretary to the Government of Mysore, Bangalore.

Sir,

Adverting to the recommendation of the Committee on Co-operation with regard to the issue of crop loans (Vide: Page 46 of the Report) and my own views thereon submitted to Government with my letter No. 5565/C.S. dated 7.1.1937, I have the honour to state that to provide an adequate safeguard for the issue of crop loans, an amendment may be introduced in the legislature to Section 19(a) of the Mysore Co-operative Societies' Regulation converting the lien into a statutory charge as has been done in Bombay Bihar and Orissa. Even this statutory charge is of little value, against a bona fide purchaser for value. This subject was discussed at the recent Conference of Registrars in Delhi and it was agreed that a penal provision is necessary for any fraudulent breach of the charge, as on the lines of the English Agricultural Credit Act of 1928, the punishment to be inflicted being restricted to fine only. I therefore recommend that Section 19(a) of the Mysore Co-operative Societies' Regulation be suitably amended, converting the lien into a statutory charge and the fraudulent transfer of the charge made an offence under the Regulation punishable with fine. If this meets with the approval of Government, the necessary amendments will be proposed.

I have the honour to be,
Sir,
Your most obedient servant,

M. G. M.

Registrar. 7/1/37

L.S.5/1.

Appendix F. G.–1]

SUBJECT.....

.....

.....

Section. G.S.

File No. 11-36

Serial No. 63

No. D 5662

Diary No. of letter replied to.....

To

The Registrar, G.S.

General and Revenue Secretariat.

( )

the *193* .

Sir

Adverting to your letter No. 5566 dated 7-1-37 regarding amendment of the G.S. regulation to provide adequate safeguards for the issue of explosives I am directed to request you to furnish particulars/information as to the action taken in the matter in the Provincial Acts of Bombay, Bihar and Orissa and also forward a copy of the provisions of the Explosives Act of 1928 on which this action is proposed to be taken here

Thanks etc

Date of issue 23-2-37

Signed by Mr. K Subba Rao

Forward for reference relevant extracts from the enactments in force in Bombay Bihar and Orissa and the English Explosives Act of 1928

List of enclosures.....

Copied by.....

Examined by.....

16.2.37

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D 5662/6 S. 11-36-63 *Bangalore, Dated,* 22nd/23rd February 1937.

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Registrar of Co-operative Societies in Mysore,
Bangalore

Sir,

Adverting to your letter No.5566 dated 7th January 1937 regarding the amendment of the Co-operative Societies Regulation to provide adequate safeguards for the issue of crop-loans, I am directed to request you to kindly forward for reference relevant extracts from the enactment in force in Bombay, Bihar and Orissa and from the English Credit Act of 1928.

I have the honour to be,

Sir,

Your most obedient servant,

for General Secretary to Government.

psk-2

No. / / / C.S. GOVERNMENT OF MYSORE 1 - APR 1937

DEPARTMENT OF CO-OPERATION.

Telegraphic Address: "CO-OPERT" BANGALORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE, D 3569

A-5-11-36-89 Dated, Bangalore, 30 March 1937.

5366

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore, Bangalore.

To

GENERAL SECRETARY 31 MAR 1937

Vedavyasacharya, Esq., B.A.,
General Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to your letter No.D.5662/C.S.11-36-63 dated 23rd February 1937, requesting me to forward for reference the relevant extracts relating to the safe-guards provided in the Bombay, the Bihar and Orissa Co-operative Societies' Acts and in the English Agricultural Credits Act, 1928 for the issue of Crop-loans, I have the honour to forward extracts as desired.

I have the honour to be,
Sir,
Your most obedient servant,

M. S. [illegible]
Registrar 30/3

L.S.29/3.

10v

Section 24 of the Bombay Co-operative Societies Act.

24. Subject to any prior claim of Government in respect of land revenue or any money recoverable as land revenue or of a land-lord in respect of rent or any money recoverable as rent,

Prior claim of society.

(a) any debt or outstanding demand owing to a society by any member or past member shall be a first charge (i) upon crops or other agricultural produce raised in whole or in part with a loan taken from the society by such member or past member, and (ii) upon any cattle, fodder for cattle, agricultural or industrial implements or machinery, or raw materials for manufacture or workshops, godown or place of business, supplied to or purchased by such member or past member in whole or in part from any loan whether in money or goods given him by the society;

Provided that nothing contained in this clause shall affect the claims of any bona fide purchaser or transferee for value without notice of any such crops or other agricultural produce, cattle fodder for cattle or raw materials for manufacture (or workshops) or agricultural or industrial implements; and

(b) any outstanding demands or dues payable to a housing society by any member or past member in respect of rent shares, loans or purchase money or any other rights or amounts payable to such society shall be a first charge upon his interest in the immoveable property of the society.

x x x x x x

Section 23 of the Bihar & Orissa Co-operative Societies' Act

23. Subject to any claim of the Government in respect of land revenue or any money recoverable as land-revenue or as a public demand or any claim of a land-lord in respect of rent or any money recoverable as rent any debt or outstanding demand due to a registered society from

Prior claim of society.

from any member, past member or the estate of a deceased member, shall be a first charge.-

(a) if the demand is due in respect of the supply of, or any loan granted for the purchase of, seed or manure - upon the crops or other agricultural produce of such member, or past member or belonging to the estate of such deceased member, at any time within two years from the date on which the last instalment of such supply or loan shall become repayable;

(b) if the demand is due in respect of the supply of, or of any loan granted for the purchase of , cattle, fodder for cattle, agricultural or industrial implements or machinery or raw materials for manufacture - upon any cattle or things so supplied, or purchased, in whole or in part, from any such loan or upon any articles manufactured from raw materials so supplied or purchased.

x x x x x

+===**********===+

Section 11 of the English Agricultural Credits Act - 1928.

11. Frauds by Farmers:- (1) If, with intent to defraud, a farmer who has created an agricultural charge -

(a) fails to comply with the obligations imposed by this Act as to the payment over to the Bank of any sums received by him by way of proceeds of sale, or in respect of other agricultural - assets, or under a policy of insurance or by way of compensation;or

(b) removes or suffers to be removed from his holding any property subject to the charge;

he shall be guilty of a misdemeanour and liable on conviction on indictment to penal servitude for a term not exceeding three years.

(2) Section 24 of the Criminal Justice Act,1925,shall have effect as if offences under this Section were included amongst the offences specified in the Second Schedule to that Act.

x x x x x x

****

" Extracts"

Registrar.

L.S 29/3

Appendix F G—1]

SUBJECT .....

.....

.....

Section G.S.

File No. 11-36

Serial No. 110

No. D 7329

Diary No. of letter replied to.....

To

The Registrar Co.

Sir,

General and Revenue Secretariat

( )

the *193* .

Date of issue 30-4-37

Signed by M K. Subba Rao

in respect of crop loans

I am with reference to your letter M 7901/ dated 30-3-37 regarding the amendment of sec 19(a) of the Nizam Co-operative Societies Regulation Amending the lien on property mortgaged to credit institutions Statutory Charge, etc. in order to ~~[illegible] for the issue of~~ ~~Crop loans by Co-operative Societies~~ I am directed in accordance with the recommendations of the Committee on Co-operation, I am directed to state that Govt are pleased to accept the proposals and to request you to kindly forward draft amendment

List of enclosures.....

Copied by .....

Examined by.....

to see 19 (a) to the C.S. Regulations
with a Statement of Objects and
reasons

I have etc

28.4.37

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D 7329/C.S. 11-36-110 *Bangalore, Dated,* 29th April 1937.
305

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Registrar of Co-operative Societies in Mysore,
Bangalore.

Sir,

With reference to the correspondence ending with your letter No.7901/C.S. dated 30th March 1937 regarding the amendment to Section 19 (a) of the Mysore Co-operative Societies Regulation converting the lien on the property mortgaged to Societies into a statutory charge etc., in respect of co-operative loans in accordance with the recommendation of the Committee on Co-operation, I am directed to state that Government are pleased to accept the suggestion and to request you to kindly forward draft amendment to Section 19(a) to the Co-operative Societies Regulation with a statement of objects and reasons.

I have the honour to be,
Sir,
Your most obedient servant,

Fair Draft.

for General Secretary to Government.

18843 file

C.S.11-36-112

GOVERNMENT OF MYSORE

No. ..... C.S.

DEPARTMENT OF CO-OPERATION,

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Telegraphic Adderss : "CO-OPERT" BANGALORE

Dated, Bangalore, 11 12 May 1937.

From

The *Registrar of Co-operative Societies in Mysore, Bangalore.*

6291

THE GENERAL SECRETARY
13 MAY 1937

The General Secretary to the Government of Mysore, Bangalore.

Sir,

With reference to your letter No.D.7329/C.S.11-36-40 dated 30th April 1937, I have the honour to forward, herewith, draft amendment to Section 19(a) of the Mysore Co-operative Regulation VII of 1918, as amended from time to time and to state that the amendment follows the Bihar and Orissa Co-operative Societies' Act No.VI of 1935. I further wish to state that Clause (b) of Section 19 being analogous to Clause (a) would also require a similar amendment for the same reasons that apply to the amendment of Clause (a). I note below a draft amendment of Clause (b) also for consideration of Government.

I have the honour to be,
Sir,
Your most obedient servant,

L.S.11/5.

Registar in charge.

Amendment.

"Subject to any (prior) claim of the Government in respect of Land Revenue or any money recoverable as Land Revenue or of a Land-lord in respect of rent or any money recoverable as rent, any debt or outstanding demand owing to a registered society from any member, past member or the estate of a deceased member, shall be a first charge -

(a) if the demand is due in respect of the supply of, or any loan granted for the purchase of seed or manure - upon the crops or other - agricultural produce of such member, or past member or belonging to the estate of such deceased member, at any time within 18 months from the date of such supply or loan;

(b) if the demand is due in respect of the supply of, or of any loan granted for the purchase of cattle, fodder for cattle, agricultural or industrial implements or machinery or raw-materials for manufacture - upon any cattle or things so supplied, or purchased, in whole or in part, from any such loan or upon any articles manufactured from raw materials so supplied or purchased."

****

Registrar in charge.

Statement of objects and reasons for the proposed amendment of Section ~~19~~ 43E (a) and (b) of the Mysore Co-operative Societies Regulation.

+==========+

One of the prime and beneficial objects for which loans may be given by a co-operative society is to provide materials and funds for the raising of crops or the manufacture of articles by its members. In order to render the advance of such monies or materials safe and thus encourage societies to grant such loans a provision has been made in Section 19 of the Mysore Co-operative Societies Regulation No.VII of 1918 creating a lien on the crops raised, or articles manufactured out of such funds and materials for the amounts advanced. This has however been felt in experience to be a very poor safeguard and that monies advanced for such purposes have often times been lost or become hard of recovery. Better safeguards seem to be desirable and the Mysore Co-operative Enquiry Committee in recommending the issue of such loans by co-operative societies in a larger measure have stated that it should be done under proper safeguards. In order to provide a better safeguard, it has been proposed to convert the lien into a charge.

Section 19 of the Co-operative Societies Regulation No. VII of 1918 as it now stands has been taken as the basis for the proposed amendment in Section 43E in the accompanying Bill.

L.S.11/5.

Registrar in charge.

Statement of objects and reasons for the proposed amendment of Sections 19 & 43 E of the Mysore Cooperative Societies Regulation

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One of the prime and beneficial objects for which loans may be given by a Cooperative Society is to provide materials and funds for the raising of crops or the manufacture of articles by its members. In order to render the advance of such moneys or materials safe and thus encourage societies to grant such loans a provision has been made in Section 19 of the Mysore Cooperative Societies Regulation creating in respect of the amounts advanced a lien on the crops raised or articles manufactured out of such funds and materials. This has however been found by experience to be a very poor safeguard and ~~that~~ moneys advanced for such purposes have oftentimes been lost or ~~[redacted]~~ become hard of recovery. Better safeguards seem to be desirable and the Mysore Cooperative Enquiry Committee in recommending the issue of such loans by Cooperative Societies in a larger measure have stated that it should be done under proper safeguards. ~~In order to provide a better Safeguard~~ In this purpose it has been proposed to convert the lien into a charge by amending Section 19 of the Mysore Cooperative Societies Regulation as has been done in Bombay, Bihar and Orissa. At the same time care has been taken to see that the claims of a bona fide purchaser for value without notice are not in any way affected by the amendment.

The amendment of Section 43 is only Consequential.

28.6.37

GMD
19/7/37

Sections 19 and 43 E as they exist

Section 19 Subject to any prior claim of the Government in respect of land revenue or any [illegible] recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent [a registered society shall be entitled in priority to other creditors to enforce any outstanding demand due to the Society from a ~~member~~ or past member]

*(a) in respect of the supply of seed or manure or of the loan of money for the purchase of seed or manure – upon the crops or other agricultural produce of such member or person at any time within 18 months from the date of such supply of loan

(b) in respect of the supply of cattle, fodder for cattle, agricultural or industrial implements or machinery or raw material for ~~the~~ manufacture or of the loan of money for the purchase of any of the foregoing things – upon any such things so supplied or purchased in whole or in part or on any such loan or any articles manufactured from raw materials so supplied or purchased

3 E Any member or past member or the nominee heir or legal representative of a deceased member Contravening the provisions of Section 19 by fraudulently disposing of any property in respect of

Amendments proposed

Sec 19 Subject to any pr
in respect of land revenue
as land revenue or of a l
or any money recoverable
outstanding demand owing to
any member past member
deceased member shall
(a) if the demand is du
of or any loan grante
seed or manure – upo
agricultural produce of
member or belonging to t
member at any time wit
dates of such supply or loan;
(b) if the demand is d
of or of any loan gra
of cattle, fodder for Cat
implements or machinery
manufacture – upon
supplies or purchases in
any such loan or upon a
from raw materials so

No amendment
by the Regis

the Registrar CS
or claim of the Government
or any money recovrable
ndlord in respect of rent
, rent, any debt or
a registered society from
, or the estate of a
a first charge]
in respect of the supply
for the purchase of
the crops or other
such member or past
estate of such
in 18 months from the
in respect of the supply
ed for the purchase
, agricultural or industrial
raw materials for
cattle or fittings so
sold or in part from
y articles manufactured

Amendments proposed by the Secretariat

Sec 19 Subject to any prior claim of the [illegible]
in respect of land revenue or any money recoverable a
land revenue or of a landlord in respect of rent o
any money recoverable as rent, any debt or outstanding
demand owing to a registered society from any incumb
past member or the estate of a deceased member shall be
a first charge —

(a) if the demand is due in respect of the supply of
any loan granted for the purchase of seed or in advance
upon the crops or other agricultural produce of such
member or past member or belonging to the estate of the
deceased member at any time within 18 months fr
the date on which the last instalment of such supply
or loan shall became repayable

(b) if the demand is due in respect of the supply o
or of any loan granted for the purchase of cattle
fodder for cattle, agricultural or industrial
implements or machinery or raw materials for
manufacture — upon any cattle or things so
supplied or purchased in whole or in part from any
such loan or upon any articles manufactured from
raw materials so supplied or purchased.

Provided that nothing contained in the above two
clauses shall affect the claims of any bonafide
purchaser or transferee for value without notice of
any such crops or other agricultural produce, cattl
fodder for cattle, agricultural or industrial implement
or machinery or raw materials for manufacl

4·3 E. For the words "priority" (claim) in line 5 substitute the
words "a first charge". The section as amended
will read as follows :— Any member or past member
in respect of which the

which the Society is entitled to claim priority under that section or fraudulently doing any thing act to the prejudice of such claim shall be punishable with fine not exceeding two hundred rupees.

Society is entitled first Charge under that section
hundred Rupees.

28-6-27